

D-6

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

May 26, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 02OD-425

OAHU

Rescind Prior Board Action of November 5, 2003, Item D-4;
Issuance of Direct Lease to Board of Water Supply for
Offsite Substation for Kalaeloa Desalination Plant,
Kalaeloa, Ewa, Oahu, Tax Map Key: (1) 9-1-031:001 portion

BACKGROUND:

On November 5, 2003, under agenda item D-4, the Board authorized the issuance of a lease by direct negotiation to the Board of Water Supply (BWS) for an offsite substation of the Kalaeloa desalination plant. The desalination plant was to be built on an adjacent lot, identified by TMK (1) 9-1-031:028, and a proposed substation was to be built on parcel 1 to provide power to the plant. See Exhibit A for location of the parcels.

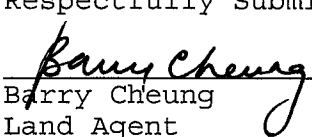
On May 8, 2006, BWS indicated in a letter that it will defer the construction of the desalination plant on parcel 28. Therefore, BWS requested cancellation of the direct lease for parcel 1. A copy of BWS's letter is attached as Exhibit B.

For the Board's information, upon approval of the subject request, the portion of parcel 1 previously intended for the substation site will be incorporated in the development of the entire parcel 1. Tentatively, our development team plans to lease parcel 1 for industrial purposes through the "Request for Proposal" process. A request will be submitted to the Board for approval at a later date.


RECOMMENDATION:

That the Board rescind its prior action of November 5, 2003, agenda item D-4.

Respectfully Submitted,

✓ 
Barry Cheung
Land Agent

APPROVED FOR SUBMITTAL:


Peter T. Young, Chairperson



BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843



May 8, 2006

MUFI HANNEMANN, Mayor

RECEIVED
LAND DIVISION

RANDALL Y. S. CHUNG, Chairman
HERBERT S. K. KAOPUA, SR.

SAMUEL A. ALLEY, J. PARK

RODNEY K. HARAGA, Ex-Officio
LAVERNE T. HIGA, Ex-Officio

2006 MAY -8 P 2:23

CLIFFORD P. LUM
Manager and Chief Engineer

DEPT. OF LAND & NATURAL RESOURCES
STATE OF HAWAII
DONNA FAY K. KIYOSAKI
Deputy Manager and Chief Engineer

Mr. Barry Cheung
Acting Supervising Land Agent
State of Hawaii
Department of Land and Natural Resources
P.O. Box 621
Honolulu, Hawaii 96809

Dear Mr. Cheung:

Subject: Board of Water Supply Cancels Request for Proposed HECO Offsite
Substation at Olai Street, Kalaeloa, Oahu – TMK: 9-1-031:portion 001

The Board of Water Supply (BWS) had deferred the construction of our Desalination Plant on the adjacent parcel 28. As such, the BWS hereby requests to cancel further negotiations for the acquisition of the proposed HECO Offsite Substation, which was designed to serve our plant.

Thank you for your assistance and patience in this matter. If there are any questions, please call Shirley Saffery of our Land Section at 748-5913.

Very truly yours,

CLIFFORD P. LUM
Manager and Chief Engineer